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USSR Report

CONSTRUCTION AND EQUIPMENT

No. 21



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CONSTRUCTION

DEVELOPMENT OF RURAL HOUSING OUTLINED

RSFSR Official

Moscow SEL'SKOYE STROITEL'STVO in Russian No 6, 1980 pp 1-3

[Article by V. Vid'manov, chairman of the Russian Kolkhoz Construction Association Board: "Increase the Pace and Quality of Work"]

[Text] The current year is, for inter-kolkhoz construction organizations as well as for all sectors of our country's national economy, not only the concluding year of the 10th Five-Year Plan but also a foundation on which the primary indices of the next five-year plan will be based.

During the past four years 10.2 billion rubles worth of contract work was completed by inter-kolkhoz construction associations or 1 billion rubles more than during the entire previous five-year plan.

The program for 1979 consisted of 2.7 billion rubles or triple the volume which was completed by inter-kolkhoz construction organizations in 1967--the year that the Russian Kolkhoz Construction Association was formed.

At the beginning of this year the fixed capital of inter-kolkhoz construction organizations significantly increased and was renewed. It comprised 5.1 billion rubles which is almost double what was available in 1975.

In 1979 alone the following were put into operation: livestock facilities that can handle 1.6 million head of cattle, poultry plants and farms for 3.6 million head, grain warehouses for 742,000 tons of grain, mixed-feed enterprises that produce 3,200 tons of mixed feed per shift, housing units with 1.4 million square meters of usable floor space, schools that can accommodate 59,800 pupils, children's preschool institutions that can accommodate 25,500, and clubs for 38,200. Four thousand two hundred km of hard surface roadways were built.

All of this was made possible due to the fact that since the first days of the current five-year plan the program determined by the Third All Union Congress of inter-kolkhoz construction organizations for the further growth

of production capacities is being purposefully carried out. In four years more than 120 plants and industries were built. Much work was done to concentrate the output of building materials and structural forms at large enterprises with modern production technology.

During this period more than 2.5 billion rubles of capital investments were contributed toward the development of inter-kolkhoz construction organizations. Capacities for turning out building materials and structural forms are continuously being built up. At the beginning of this year they reached the following levels: 6.2 million cubic meters for the production of precast reinforced concrete, 3 billion pieces of brick, 2.5 million cubic meters of lightweight aggregate filler and 15 million cubic meters of crushed stone and gravel.

Scientific and technological achievements and advanced practices are being successfully introduced into construction and industrial production. Thus, complete prefabrication in construction comprised 52 percent in 1979 which is twice as much as in 1975.

About 6,000 crews in the system worked according to the brigade contract method and they completed 1 billion rubles of construction and installation work or 38 percent of the total volume. Eighty-nine percent of the sites that were turned over were accepted by clients with evaluations of "good" or "excellent."

Perfecting management methods, improving organization and increasing the technological level of construction and industrial production made it possible to increase labor productivity by 19.2 percent in construction and 15 percent in industry during the past 4 years.

Many inter-kolkhoz construction organizations worked at a smooth pace and successfully managed to fulfill the plans.

The Krasnodar, Saratovskaya, Bashkinskaya, Mariyskaya, Kostromskaya, Kuybyshev, Lipetskaya, and Permskaya associations have made weighty contributions toward accomplishing the tasks that were set.

The work of the organizations in the Rostovskaya association, which carried out 383 million rubles worth of construction work in 4 years including 26 million rubles above the plan, should especially be noted. They significantly overfulfilled the goals for finished construction products and for putting structures into operation and they are operating without any collectives that are lagging behind.

Specialized highway construction trusts in the "Russian Special Construction" Association achieved good results; the Kranoyarsk, Saratovskaya, Sverdlovskaya, Rostovskaya, Novgorodskaya, and Gor'kovskaya trusts constantly overfulfill the established plans.

In a word, inter-kolkhoz construction organizations have moved forward considerably in economic and social development during the four years of the current five-year plan, which is a good basis for work in 1980.

In addition to this, serious deficiencies had their place in the activities of the inter-kolkhoz construction organizations just the same. The Russian Kolkhoz Construction Association board calculates that on the whole the system worked below its capabilities.

A basic deficiency is the fact that many associations do not fulfill the tasks set by the Third All Russian Congress of Inter-Kolkhoz Construction Organizations for the volume of contract work and for the production of building materials and structural forms. For this reason they failed to complete 84 million rubles worth of construction and installation work during the four years of the five-year plan, they did not meet the goals for putting clubs and children's preschool institutions into operation and for growth in labor productivity and they also permitted losses. Enterprises in the construction industry did poor work.

Inter-kolkhoz construction associations in the Nечернозем zone fulfilled only 96 percent of the plan for contract work during the same period-- 120 million rubles below the goals, 28 million rubles of it being in 1979.

More than 70 percent of the primary construction organizations did not meet the plans for turning out finished construction products. Inter-kolkhoz construction organizations in the Arkhangelskaya association have done especially poor work during the current five-year plan, having permitted a lag in completing the volume of contract work by 15 million rubles; the Bryanskaya association also was behind by 15 million, the Vologodskaya by 14 million, and the Pskovskaya by 12 million rubles.

There are frequent instances when our highway construction organizations in the Nечернозем zone do not economically use the capital investments that have been set aside as well as highway construction technology and motor vehicle transport and disrupt production discipline in areas that have not been considered.

As a result, for the 4 years of the five-year plan 6,800 km of intraorganization hard surface highways have been built in all. This is less than half of the goal for the five-year plan.

Highway construction organizations in the Kaluzhskaya, Arkhangelskaya, Vologodskaya, Ryazanskaya, Orlovskaya, and Mordovskaya trusts are doing an especially poor job of organizing work to construct intraorganization routes.

In order to improve the matter, during the current year we shall attempt to more operatively react to the manifestation of wastefulness and a lack of thriftiness and to give a strict party evaluation to transgressors of plan and state discipline.

The problem of utilizing fixed capital in the first place for the production of building materials and structural forms has acquired special urgency. The fact of the matter is that while building up production capacities, and annually directing huge capital investments toward these purposes, we are not ensuring their effective utilization. From this comes a low yield on capital. The plan for four years to realize industrial production has not been fulfilled; structural forms and materials worth 59 million rubles did not arrive at construction sites.

Soviets and boards of oblast, kray, and republic [ASSR] associations, having analyzed the status of affairs with respect to the use of fixed capital in industry, must eliminate existing deficiencies, and determine and realize a complete set of measures that will ensure the full development of capacities by each enterprise during the current year.

All of this brooks no delay since all of the existing huge amount of fixed capital that we have in the sphere of service for contract activities is not a complete part of the construction process nor does it achieve the required returns. And it is precisely here that we do not utilize the substantial potentials and capabilities for increasing the volume of contract work while simultaneously reducing the number of workers that are occupied directly at the construction site.

Practice shows that even under today's conditions labor consumption for erecting buildings and structures that are ready for use, which are completed by SSK [Rural Construction Combine] manpower, is lower than for the usual method of constructing them by a factor of 1.5. Significantly greater possibilities of reducing labor consumption in construction are contained in further increasing factory preparedness of the structural forms and materials from which a building is assembled.

At the beginning of the year, 28 rural construction combines were in operation in the Russian Kolkhoz Construction Association. Such a number of SSKs is insufficient by far for the system and those that exist are operating with low returns. Rural construction combines must annually complete 450 million rubles worth of construction and installation work, but in 1979 they managed an output of only 120 million rubles.

This year the capacities of another 22 combines will be put into operation. In 1981-82 every association should have, as a rule, 1 or 2 SSKs with an output of 15 to 16 million rubles worth of SMR [construction and installation work]. Thus, approximately one billion rubles worth of construction and installation work will be completed annually by SSK manpower in inter-kolkhoz construction associations.

An analysis of the results of four years of the five-year plan, in addition, testifies to the fact that planning the construction and production of industrial products was not satisfactory in many associations. The economic indices in the majority of cases were themselves confirmed from the level

which was achieved. The volume of contract work and products that were turned out was established without considering utilization of existing fixed capital, operating capacities and material and technological resources that have been allocated. Organizational and technological measures for individual inter-kolkhoz construction associations were not linked to the final results of the work of construction organizations and industrial enterprises. All of this has led to the fact that incomPLETED construction continues to increase year after year, the volume of which reached 2.8 billion rubles on 1 January 1980 or 95 percent of the plan for construction and installation work during 1980.

Proceeding from the CPSU Central Committee decree concerning the further improvement of the economic mechanism, it is necessary for us to develop measures for increasing the level of planning work and to accomplish them in practice in all management sections.

A five-year plan for the economic and social development of inter-kolkhoz construction organizations with tasks distributed among the years must become a principal form of planning for us. The annual plans should only precisely define the five-year plan's tasks for the corresponding year.

With the aim of greater validity for the five-year plan it is necessary to confirm, beginning with the 11th Five-Year Plan, the balance of material and labor resources, production capacities and the financial balance and to determine material and financial reserves in its structure.

Following the decisions of the 25th CPSU Congress and the positions and conclusions contained in the speeches by comrade L. I. Brezhnev at the July (1978) and November (1979) Plenum of the CPSU Central Committee, the Russian Kolkhoz Construction Association's board, republic (ASSR) soviets and kray and oblast associations have, during development of the plan for contract work and for the output of industrial products for 1980, specified measures for accelerating construction and the start of operations for structures, for increasing the quality of construction and the output of industrial products, and for the fuller utilization of the capacities of construction organizations and industrial and logging enterprises.

The total volume of contract work during the current year has been set in the amount of 2.9 billion rubles, including taking into consideration the socialist obligations that have been taken on by inter-kolkhoz construction organizations, which is 6 percent more than the program actually fulfilled for 1979. Of this total 1.1 billion rubles have to be assimilated by oblasts and autonomous republics in the Nечернозем zone. Finished construction products in the sum of approximately 3 billion rubles will be turned over to clients.

The volume of industrial production is projected to increase by 8.3 percent and by 10 percent in the autonomous republics and oblasts of the Nечернозем zone.

With the aim of meeting the growing demands of our organizations for building materials and structural forms it is projected that the following will be produced at industrial enterprises: 4.5 million cubic meters of prefabricated reinforced concrete; 2 billion pieces of brick; 2.4 million cubic meters of porous aggregate filler; 14 million cubic meters of non-metallic materials; and 3.8 square meters of carpentry items.

The main trend in the plan for the current year is the further intensification of construction and industrial production. Higher rates of growth for labor productivity in comparison with the actual figures that took shape for 1976-1979 are projected for republic (ASSR), kray and oblast associations. For the system as a whole it is envisaged that it will increase by 4.5 percent in construction and 3.8 percent in industry.

During development of the plan a significant amount of work was done to achieve a balance between the volumes of construction and installation work and the capabilities of inter-kolkhoz construction organizations and the material and technological resources required for 1 million rubles.

Capital investments, directed toward the development of an internal base, have been kept at last year's level for the system as a whole but along with this they are linked to a growth in the volume of contract work and are directed most of all toward the completion of structures that were started earlier and toward the reconstruction and technological reoutfitting of operating enterprises.

More rapid goals for economizing building materials, fuel and electricity have been established. A savings of the following has been stipulated in the plan for the Russian Kolkhoz Construction Association as a whole: no less than 2 percent of rolled metal, 5 percent of boiler and furnace fuel, 3 percent of electricity, 2.5 percent of gasoline for motor vehicles and also a significant number of other materials by means of reducing the norms for their consumption and by accomplishing organizational and technological measures for economizing material resources.

The plan for the current year contains an increase in the goals for adopting the achievements of scientific and technological progress and advanced practices into construction and industrial production. This year we have to increase the volume of completely prefabricated construction to 57 percent of the total volume of construction and installation work, increase the volume of large panel and modular construction in housing, cultural and everyday service buildings to 700,000 square meters of total area, to manufacture and use in construction 708,000 cubic meters of prestressed reinforced concrete structural forms, 86,000 cubic meters of pile foundations, 915,000 cubic meters of load bearing and enclosure structural forms from lightweight concrete and 115,000 cubic meters of wooden structures, and to significantly improve the level of engineering preparations and the introduction of continuous construction methods on the basis of weekly and daily planning and dispatcher control.

We have to complete 1.2 billion rubles or 45 percent of the total volume of construction and installation work by the brigade contract method. Technological specialization in construction will be increased to 56 percent.

By means of improving the quality of construction and the industrial products that are turned out it is planned that no less than 91 percent of the total number of structures intended for housing, cultural and everyday service purposes that are put into operation will be guaranteed to be turned over for use with an evaluation of "good" or "excellent."

Realization of the planned measures for the technological development of inter-kolkhoz construction associations will make it possible to provide a labor economy of 20,000 people and to save 120 million rubles during the course of the present year. All of these are large and difficult tasks.

This year, in order to bring up the organizations that are lagging behind, to successfully complete construction and installation work and to manufacture industrial products in the established amounts, much exactness and organization, precision in activities and a creative relationship towards work is needed.

We have all the conditions to fulfill and overfulfill the plan for 1980: a powerful construction industry, a huge amount of construction technology and trucks, trained staffs of workers, engineering and technological workers and employees. Inter-kolkhoz construction associations have significant intra-kolkhoz potentials available.

The results of work for the first quarter have convincingly shown that the CPSU Central Committee's appeal concerning a broad development of competition for a worthy greeting of the 110th anniversary of V. I. Lenin's birthday and for making the concluding year of the five-year plan a year of work in the Lenin manner, which has been met with a warm response, should be confirmed by all of our collectives.

It is necessary, in every way possible, to ensure an efficient pace of construction and to ensure that the goals that were established by the plan and the socialist obligations which were taken on are fulfilled by each construction organization, industrial enterprise and design institute.

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Inter-Kolkhoz Combines

Moscow SEL'SKOYE STROITEL'STVO in Russian No 6, 1980 pp 21-22

[Article by A. Ternovskiy, member of the VSNTO [All-Union Council of Scientific and Technical Societies] committee, concerning the problems of developing the Nечернозем zone of the RSFSR: "Inter-Kolkhoz Rural Construction Combines in the Nечернозем"]

[Text] As the main trend in developing their production and technological base, collectives of inter-kolkhoz construction associations have decided

to form new rural and housing construction combines and also to improve existing ones. The large-scale work in the Nечернозем zone of Russia will be within their power only by this new progressive form of organization and management; only their production and economic activity will guarantee high efficiency in construction production and make it possible to accelerate the introduction of fixed capital into agriculture.

At the beginning of this year 14 rural construction combines with an annual designed capacity of more than one million square meters of total area of rural production, housing and public buildings were already in operation in the Nечернозем zone of the RSFSR in the Russian Kolkhoz Construction Association's system. In addition, another nine rural construction combines will be put into operation during the year. Thus, during the concluding year of the 10th Five-Year Plan a rural construction combine will be operating in almost every oblast and autonomous republic in the zone. Their number will comprise about one half of all SСs [rural construction combine] and SDSks [rural housing construction combine] in the Russian Kolkhoz Construction Association and the volume of work which will be carried out by them will more than double in comparison with 1979 and will exceed one half of the volume of construction that is completed by all the combines in the inter-kolkhoz construction associations of Russia. They will complete about 14 percent of the volume of work that is planned by the organizations of the Russian Kolkhoz Construction Associations in the Nечернозем.

A majority of rural construction combines in the zone are complete combines which turn out, along with production sites, complete sets of items for large panel housing construction and build rural production, housing and public buildings. The selection of such a type of combine was caused by the need for the overall construction of populated areas in the Nечернозем and by a high concentration of rural construction.

As a basis for forming one or another combine, primary attention was given to the efficiency of its activities depending on the size of its zone of service. Therefore, the combines, both formed previously and organized at the present time, are usually zone type combines with the average distance from the area under construction to the combine being no more than 120 to 130 km.

In a number of oblasts that have a high concentration of rural construction, two and even three combines are being formed. Thus, for example, the oblast inter-kolkhoz construction association in Kalininskaya oblast will have three combines; the Kalininskaya experimental rural construction combine is already operating and Bezhetskaya and Rzhevskaya combines are also in the organizational stage. Two combines will be put into operation in Gor'kovskaya oblast, two also in Chuvashskaya ASSR, etc.

The efficient zone for the production and economic activities of the Kalininskaya ESSK [experimental rural construction combine] during 1980-81 is acknowledged to be the territory of four rayons with an average distance from the combine to the area under construction being 50 km, and during 1982 and succeeding years--10 rayons of the oblast with an average distance of 85 to 100 km. The Kalininskaya ESSK, along with constructing rural production buildings, is specializing also in the manufacture of single story farmhouses from modular structural forms.

A similar zone of activity has been determined for two other combines--Bezhetskaya and Rzhevskaya--as well.



The zone of activity for the Smolenskaya SSK is 50 to 130 km, for the Gusev rural construction combine in the Kaliningradskaya Oblast Inter-Kolkhoz Construction Association it is 60 to 80 km, etc.

The rural construction combines in the Russian Kolkhoz Construction Association are conceived as industrial construction complexes which, based on a single construction cycle, carry on the plant production of a complete set of structural forms and components according to the established products list for rural production, housing and public buildings, transport these complete sets to the construction sites, carry on the entire overall construction and installation work and, in conjunction with the general contractor (during subcontract activity) ensure that structures are put into operation. They carry out their activity basically

as subcontract (head subcontract) construction organizations but in a number of areas they fulfill the function of general contracting organization as well.

The transition of inter-kolkhoz SSKs and SDSKs to carrying out the total overall construction and installation work along with turning over structures for use basically began during the last two years (after the July 1978 Plenum of the CPSU Central Committee). In 1980 they should turn over about 0.6 million square meters of total area in buildings intended for various purposes.

The production and economic activity of rural construction combines in the Nchernozem convincingly testifies to the fact that they have indisputable advantages in comparison with the usual construction organizations and industrial enterprises. Here are several examples. The Smolenskaya SSK, while completing total overall construction and installation work in the amount of 6.1 million rubles (with a growth of 12.7 percent against 1978) overfulfilled the plan for putting structures into operation by a factor of almost 1.5 and achieved an output of 14,314 rubles for a single worker, having exceeded the planned goal by 7.8 percent. Along with this the plans for obtaining balanced profit, profitability and other indices were surpassed; 72 percent of all of the industrial products that were manufactured by the combine were required by their construction subdivisions.

At the Saranskaya SSK in the Mordovskaya ASSR, whose volume of construction and installation work reached 10.3 million rubles, the output for one worker comprised 14,592 rubles with an overfulfillment of the plan by 11.4 percent and with a growth in comparison with 1978 by almost a factor of one and a half. At the Sovetskaya SSK in Mariyskaya ASSR the output for a single worker was raised to 12,099 rubles with a growth of 13.5 percent as against 1978, etc.

Thus, in comparison with the usual construction organizations, labor productivity at rural construction combines of the Russian Kolkhoz Construction Association in the Nchernozem is greater by a factor of 1.5 to 1.7.

Highly mechanized industrial and construction complexes, which SSKs and SDSKs are, have complete technology and high engineering preparations and have the capability of turning out buildings and structures that meet the modern level of science and technology and are in the greatest demand by rural workers. In addition, the possibility is opening up of conducting all of the basic construction processes under plant conditions.

Here are several examples of the efficient work of combines.

The manufacture of single story housing units from modular structural forms based on the design by the "Moscow Nchernozem Industrial Design" Institute has been started under factory conditions by the Kalininskaya Experimental Rural Construction Combine in the oblast inter-kolkhoz construction association. Rural residents have been waiting for such houses for a long

time. They are attractive in their exterior appearance and interior finish work and are comfortable for everyday living. Take as a basis the single story three-room far house from five wood and concrete modular sections. The first modular section has a total room area of 16 square meters, the second is the kitchen and dining room (10.97 square meters). There is a household pantry, household closet and foyer here. A bedroom for two children (12.62 square meters) with a toilet and sink is located in the third modular section; a bedroom for the parents (12.62 square meters) and a bathroom, which is used for laundering and bathing, is in the fourth. The fifth block section is intended as household quarters (eat-in kitchen), a drying closet with dampers for drying clothes, a cold pantry and summer quarters (verandas).

Hallways, a special household vestibule and a cold pantry are located between the modular sections. These areas divide the apartment into two zones--living and household. The conveniences in the household zone satisfy the needs of the private household and are located both in the fifth modular section and in the separation between the modular sections. A separate household exit to the private plot is provided from the eat-in kitchen. The house has an attic and an underground area intended for storing fruits and vegetables.

The house is equipped with a hot and cold water supply, central heating and other conveniences. When there is no furnace room a variation of self-contained heating may be used.

Principally new additions have been introduced into the structural forms of modular sections by the workers of the Kalininckaya oblast inter-kolkhoz construction association, which make it possible to have several openings of any size in a wall without any reduction in the load bearing capacity, which is especially effective when installing a veranda or quarters intended for household purposes and at other times.

The complete plant preparedness of the modular room section merits attention. The rooms arrive at the site where the home is being built with installed partitions, baths, toilet bowls, washing machines, ranges, with papered walls, painted ceilings, windows, doors, built-in furniture, and floors with linoleum laid. All of the utility lines are also completed under factory conditions--hot and cold running water, sewerage, heating and electrical supply.

Only the assembly of the modular sections, attaching them to the exterior networks, the furnace and other work to install the roof and minor finish work after assembly is done directly at the site. As a result, labor productivity during erection of such homes increases in comparison with all other completely prefabricated buildings that have been used before this. A single small crew requires only several days in order to make the house ready for its inhabitants.

Household barns, garages and other service buildings are assembled from these modular sections.

When design capacity is reached, 50,000 square meters of floor space in such homes will be produced.

During erection of the homes the combine acts as the general contractor construction organization completing the total overall construction and assembly work in three phases--excavation and foundation work, assembly work and post-assembly finish and general construction work. It is intended that assembly of the modular room sections is to be done by a 16-ton crane. Specialized subcontract organizations are picked up to complete the electrical and plumbing work and to install equipment.

During the past year the Kirov rural construction combine, which is also a complete combine, confidently began to build up its capacity. Housing and public buildings are still being erected by the operating capacities according to series 25, but at the present time construction of the farm type house has begun along with the manufacture of components that are an improved variation of the same series and which have received the name "Saratov." With the start of operations for the second phase of a plant that manufactures reinforced concrete articles with a design capacity of 30,000 cubic meters per year, it is projected that the combine will transfer to erecting housing and public buildings according to the improved 135 series.

Fifteen administrative rayons of the oblast, with the distance from the sites under construction to the combine not exceeding 70 to 90 km, are recommended in coming years as the general subcontracting production and economic zone for the Kirovskaya SSK. The combine will complete the overall construction of villages here.

New recently obtained cassette units are now being mastered at the Kirovskaya ZhBi [Reinforced Concrete Components] plant which make it possible to significantly increase the plant preparedness of components. A specialized PMK [Mobile Mechanized Column] has been formed to complete the excavation and foundation work and to install utility lines. Providing the necessary articles for the structures being built is being done according to an integrated schedule: manufacturing of industrial products, transporting them to the construction site and erecting the buildings themselves.

The pace at the Novgorodskaya SSK is also picking up, which also carries out construction of housing, public and rural production buildings. The zone of activity for the combine is confined to the limits of 80 to 100 km. Two apartment housing units are being built according to series 25 with all of the types of work being completed by them with the exception of conveniences, utility networks and work during the preparatory period which is being done by the usual general construction and specialized organizations. Rural production buildings are being completely built by the combine.

The Kansk rural construction combine in the Udmurtkaya Republic Inter-Kolkhoz Construction Association finished last year with good results. For achieving good results in the All-Russian socialist competition and for successfully fulfilling the plan for economic and social development in 1979 the RSFSR Council of Ministers and the VTsSPS (All-Union Central Council of Trade Unions) acknowledged them the victor and awarded them the temporary Red Banner of the RSFSR Council of Ministers and VTsSPS.

During the concluding year of the 10th Five-Year Plan the Kansk SSK was one of the initiators of socialist competition between collectives of the leading SSKs for 1980, having pledged, in particular, to turn over farm type homes that are completely finished with an area of 12,000 square meters to the client, to manufacture complete sets of structural forms for 200 two-apartment farm type homes, to complete 80 percent of the total volume of construction and installation work by means of the brigade contract method, and a number of other things.

Other rural construction combines of the Russian Kolkhoz Construction Association in the Nечернозем of the RSFSR are successfully operating and improving their production and economic activity every year.

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Industrialization

Moscow ZHILISHCHNOYE STROITEL'STVO in Russian No 5, 1980 pp 8-9

(Article by Yu. A. Kudryavtsev, director of a subdivision in USSR Gosplan: "Concerning an increase in the Level of Industrialization in Rural Housing Construction")

(Text) The steadfast realization of the party's course for a fundamental improvement in housing, cultural and everyday living conditions in rural locales has provided a solution to a number of important social problems in the village.

However, there are definite deficiencies in the great and constructive work related to an improvement in the living and working conditions of rural workers. The greatest of these deficiencies is the fact that housing, cultural and everyday service construction in the village is substantially lagging behind industrial construction based on the plans being fulfilled for putting structures into operation, the level of industrialization and the quality of construction work which is being done.

Construction in the village of large panel housing units with reinforced concrete wall panels the size of a room, large modular housing units with modular wall sections of porous clay filler concrete, compacted silicate and other porous materials has made it possible in recent years to increase the level of industrialization in rural housing construction somewhat.

But in connection with the dispersed nature and small volume of construction for housing units in inhabited rural areas, housing units made from reinforced concrete panels and large modular units, based on capital investment expenditures for 1 square meter of general floor space, proved to be less economical in comparison with wood panel housing units and also housing units that are built by using complete sets of wood components and local building materials due to the necessity of transporting articles and components for large panel and large modular section housing units considerable distances along country and dirt roads.

In addition, construction of multi-story housing units in a rural locale does not create the necessary conditions for rural inhabitants to carry on personal subsidiary farming.

Every year more than 30 million square meters of total area in small-story housing units are built on the average in villages, based on all sources of financing, which comprises almost 90 percent of the total housing construction in rural areas.

Wooden houses comprise more than 65 percent of the above number of small-story housing units that are being built in villages, the majority of which are log and square beam houses, about 32 percent are homes made from brick and other local building materials and the remaining portion are housing units made from large reinforced concrete panels and modular units. Along with this almost 93 percent of small-story housing units are built by non-industrial methods and only 7 percent by industrial methods. Wooden houses that have been manufactured at a plant comprise about 5 percent of them.

A very essential deficiency of housing construction in the village is also the fact that a significant portion of existing and newly constructed individual housing units have furnace heating and are not equipped with sewerage systems or hot and cold running water.

At the July (1978) Plenum of the CPSU Central Committee it was noted in a speech by General Secretary of the CPSU Central Committee comrade L. I. Brezhnev that in rural construction it is necessary to take into consideration the particular features of life and the interests of the rural population. Rural construction should be oriented toward providing families, as a rule, with individual convenient houses with private plots and outbuildings for domestic livestock, fowl and personal means of transportation.

Eliminating the deficiencies that exist at the present time in rural housing construction and successfully solving the problems of developing housing construction in the village in light of the tasks set by the July (1978) Plenum of the CPSU Central Committee is impossible without organizing, in a short period of time, such a production base that would make it possible to transfer the construction of small-story housing units in rural areas to an industrial foundation.

According to its technological level, production volumes and the construction of housing units, this base should assure the creation of inhabited rural areas of single apartment farm type housing units that are diverse in architecture, comfortable and that have high utilization and technological indices. The cost of such homes, the labor consumption and the construction time should be a stimulation to attract the funds of the rural population for the development of individual and cooperative housing construction in the village.

In solving the above problems one of the basic ways to form a production base for rural housing construction is to develop plant production of wood panel housing units.

Such an approach to the industrialization of small-story rural housing construction will make it possible to obtain a considerable effect on the national economy since wood panel housing units, based on their technological and economic indices, significantly exceed all types of small-story housing units that are used for construction in the village at the present time.

Single-story wood panel housing units for a single family that are being produced at the present time by housing construction enterprises in the USSR Ministry of the Timber and Wood Processing Industry and by the Alitus, Livany and Chaadaevka housing construction combines in the inter-kolkhoz construction organizations of the Lithuanian SSR, the Latvian SSR and the RSFSR, have from two to five living and sleeping rooms, a kitchen with an area of up to 9 square meters and more with an additional dining area, a bathroom, a toilet and other auxiliary and subsidiary rooms. The total area in such panel houses comprises from 50 to 110 square meters--and the living area from 30 to 60 square meters depending on the number of living rooms and the area of the auxiliary and subsidiary rooms.

The experience of the Alitus and Livany housing construction combines shows that with a prepared foundation and the corresponding organization of installation and finish work, assembly of the wooden panel house, including turning it over to the client, can be accomplished in the space of a single month.

Heating the individual panel houses may be done by heating systems as well as by small size heating furnaces that are installed in special or below ground areas and which operate on various types of fuel.

In the near future, the organization of deliveries to consumers of wooden panel homes which have complete utility, sanitation and technical equipment and also built-in kitchen furniture is envisaged.

A comparison of the indices between designs for wood panel homes and designs for wooden log and square beam houses that are extensively used at the present time in rural construction as well as single-story homes made of brick or local building materials makes it possible to draw the conclusion that with identical indices for the estimated cost of construction for 1 square meter of general area, panel houses are almost twice as economical in terms of lumber used and total labor consumption per unit of area.

A comparison of the technological and economic indices between the designs for wood panel houses and panel housing units of reinforced concrete shows that when constructing wood panel houses the cost of 1 square meter of general area is 7 percent lower, and the total (plant and construction) labor consumption for a unit of area is 30 percent lower than when constructing reinforced concrete panel housing units. Along with this the articles and components of wood panel houses are several times lighter than the analogous articles and components of reinforced concrete panel housing units. This essentially reduces expenditures for transporting wood panel houses to the construction site and makes it possible to use assembly cranes that have lower load capacities during erection of these houses.

In addition, the proportion of capital investments for the formation of a production base for wood panel housing construction, in computing for 1 square meter of general area, is 10 percent less than for the development of a base for producing large panel housing units made from concrete.

Wood panel houses have yet another important advantage in comparison with the types of houses that are used at the present time for construction in rural areas. They have greater heating technology features than large panel housing units that have single-layer enclosure structural forms made from lightweight concrete, houses that are made from wood (log and square beam), brick and other local building materials. In this regard, the development of production of wood panel houses and the construction of these houses on a massive scale in the village will promote economy of fuel and electric resources.

The economic expediency of the primary use of single-story wood panel houses for a single family in rural housing construction is confirmed by foreign practices in small-story housing construction. The manufacturing of wooden houses from panel structural forms under factory conditions comprises up to 30 percent of the total volume of housing construction in Sweden and more than 50 percent in the USA and Canada.

With such a number of positive factors why do wood panel houses comprise such a small relative proportion of the total volume of small-story housing construction in rural locations at the present stage? What is restraining the extensive use of wood panel houses in rural housing construction and the transfer of this construction to an industrial foundation by means of using wood panel houses?

The reasons for this consist of the fact that the problems of developing a native industry for producing small-story houses from lumber have been underestimated for a long time. The required amount of attention has not been given to the problems of developing a wood housing construction industry and other sectors that are linked with it--the woodworking machine tool industry, individual subsectors and production by the chemical and building materials industry.

The wood housing construction industry is characterized at the present stage by a low level of concentration of production and by the large scattered nature of housing construction enterprises throughout the country. In the Ministry of the Timber and Wood Processing Industry, 40 enterprises, which are part of 20 all-union and production (with special management agencies) associations, are engaged in the production of wooden houses and complete sets of wooden components for homes with walls made from local building materials. In this ministry the average output of homes for one enterprise comprises slightly more than 80,000 square meters of total area per year. Manufacturing of the wooden houses is accomplished at housing construction combines, as a rule, by a closed production cycle. All of the operations, beginning with production of lumber and construction components and procurement and ending with assembly of the houses' structural forms are completed at one enterprise. Carpentry items (modular window and door sections) for completely outfitting houses are produced at these same enterprises in the overwhelming majority of cases.

Wood housing construction lags behind other woodworking production based on technological equipment and level of labor mechanization for basic and auxiliary work. Wood housing construction is the sole subsector of the woodworking industry for which practically no series output of specialized technological equipment has been organized up to the present time.

Due to an insufficient amount of structural form sheet materials (water resistant wooden tiles and large size glued veneers, gypsum fiber and gypsum board tiles), high quality lumber materials are used for manufacturing wooden houses, the specific consumption of which comprises no less than 0.7 cubic meters for 1 square meter of general area in square beam houses and about 0.46 cubic meters for homes made from panel structural forms. The consumption of lumber materials for 1 square meter of general area does not exceed 0.2 cubic meters at wooden housing construction enterprises in Sweden, the USA and Canada, through extensive use of various sheet materials in the production of wood panel houses.

The need for quality heat insulation materials by wood housing construction enterprises that manufacture panel houses, the lack of frostproof hermetically-sealed materials and sealers and air resistant tile and finish materials has had an extremely negative effect on the operational indices and the exterior appearance of the wood panel houses that are being turned out at the present time.

The production of wood panel houses at operating housing construction enterprises is most often located in an area 4,000 to 5,000 square meters. Native and foreign experience shows that a production area the size of 20,000 to 25,000 square meters is needed to organize the mechanized production of wood panel houses with 200,000 to 250,000 square meters of total area that have a high degree of plant preparedness and complete utility, sanitation and technical equipment in the houses that are turned out.

The July (1978) Plenum of the CPSU Central Committee indicated the need for improving the housing, cultural and everyday living conditions of rural workers. And this means that families of kolkhoz and sovkhoz workers must be provided with the same farm type housing units that would not be inferior to modern urban apartments in terms of the level of conveniences and, along with this, would allow one to carry on personal auxiliary farming.

In order to successfully solve these problems it seems expedient to specify that the following necessary measures are to be carried out, the principal ones being:

the creation of capacities to produce wood panel houses and complete sets of wooden components for houses with walls made from local building materials by means of constructing new, and expanding and reconstructing operating housing construction and woodworking enterprises to the extent that would meet the requirements of rural housing construction for these forms of production;

the development and organization of the series output of highly productive specialized technological equipment for assembling and finishing the panels and structural forms of wooden houses, and also equipment for manufacturing efficient building materials for finish work and sanitation and technical components and articles that are used in wood panel housing construction;

the creation of capacities for producing modern efficient structural forms, finish and insulation materials and multifunctioning apparatuses for heating and hot water supply that operate on various types of fuel or on electricity which are needed to completely equip farm type wooden houses;

the further expansion and development of scientific research, structural design and experimental work in the field of typology and structural forms for completely prefabricated small-story housing units using lumber materials and the development of production technology for improved structural forms and types of wooden houses.

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CONSTRUCTION

CREDIT ARRANGEMENTS IN CONSTRUCTION DISCUSSED

Improving Construction Industry Credit

Moscow FINANSY SSSR in Russian No 6, 1980 pp 32-35

[Article by Chief of the Ternopolskaya Oblast office of the USSR Stroybank D. I. Zaychenko and Acting Chief of the Finance and Credit Department for Contracting Organizations A. N. Sharov: "Improving Credit Relations in the Construction Industry"]

[Text] Bank credit is one of the effective mechanisms for increasing output and strengthening cost accounting. The decree of the CPSU Central Committee and the USSR Council of Ministers "On Improving Planning and Increasing the Effect of the Economic Mechanism on Increasing Output and Work Quality" provides for the further expansion of credit relations and an increase in the role of credit, particularly in capital construction.

The Ternopolskaya Oblast office of the USSR Stroybank devotes considerable attention to developing the use of credit. The volume of short-term credits, their role and importance in the financial and economic operations of contracting construction and installation organizations has in recent years grown considerably. In 1979 these credits covered 60-70 percent of a number of organizations' working capital needs.

Credit's share in the creation of working capital more than doubled during the 10th Five-Year Plan. All contractors served by the office use short-term credits with 83 percent of the organizations receiving them on a regular basis to cover expenditures associated with unfinished construction and installation work and for the procurement of construction materials, structural components and parts.

A considerable share of credit resources is used for contracting organizations engaged in construction of the most important projects scheduled for completion in the plan year, an approach which makes it possible to achieve a stable financial situation in these organizations and also to increase monitoring of timely completion of new industrial capacity.

For example, in 1977 the office completely satisfied the needs of the construction project trust Chortkovpromstroy and its subcontractors engaged in the construction of the Chortkovo Sugar Refinery--one of the largest in the Ukraine.

In 1978 particular attention was paid to contractors engaged in construction of a plant section for producing lighting equipment for the Vatra production association, facilities of the Ternopol' Combine Plant production association, the Khorostkov Sugar Refinery, and others. Comprehensive credit assistance and increased bank monitoring made it possible to complete the priority complexes at these important construction projects on time. Furthermore, at the Chortkovo Sugar Refinery the standard construction time was reduced by 6 months, or 15 percent.

The oblast office concludes agreements for socialist creative cooperation with the Ternopol' Construction Administration and the appropriate customers to ensure completion of the more important and major industrial projects. On the basis of these agreements the bank commits itself to promote in any way possible successful plan completion and timely settlement of accounts with contracting parties, identify potential financial savings, perform supplementary monitoring, execute timely payment of wages, and so forth. The contractor, in turn, undertakes to concentrate his resources on the particular construction project and to use the most progressive forms of labor organization and remuneration; the customer undertakes to ensure the delivery of all equipment by a specified date, to dispatch operations personnel for its assembly, ensure timely acceptance and payment for work performed, assist in creating good working conditions for construction personnel, etc.

Such a contract was concluded in 1978 for construction of a plant section to produce Olimpiada-80 lighting equipment at the Vatra production association. For a year the bank provided comprehensive credit assistance to the contractor and customer, ensured jointly with the latter timely settlement of accounts and performed a number of local checks related to various financial operations. As a result the construction project received uninterrupted financing, and the contractor's accounts with suppliers of materials and labor were settled on time. In 1979 a contract of cooperation was concluded between the Vatra and Ternopol' Combine Plant production associations and the Ternopol' Construction Administration.

Another function of the oblast office is to use credit to promote the construction organization's financial stability in all ways possible and to strengthen payment discipline. For this purpose credits are extended to cover not only on-going construction-related expenditures but also to settle accounts with suppliers of materials and services (settlement and payment credits). Furthermore, the latter sometimes represent a very considerable share of the short-term subsidies extended.

For several years, the office has two or three times a quarter systematically extended one-time credits to cover the mutual indebtedness of organizations of the Ternopol' Construction Administration and its main

subcontractors. This action is necessary because of the considerable level of technological specialization (48 percent of the work in the administration is performed by specialized subcontractor organizations), and also because the office does not extend on-going credits. Last year alone R12.6 million in nonpayments were covered through the use of one-time credits with R8.5 million being extended for short-term loans to cover these credits. Furthermore, the loans were used, as a rule, to meet payment deadlines for credits extended for settlement of suppliers' accounts and payment of wages.

When necessary the office imposes the following sanctions on contractors: reduction or complete cut-off in extension of loans; extension of loans to satisfy temporary needs on condition that the contracting organization develop and implement specific measures to eliminate shortcomings; imposition of interest penalties, etc. Such sanctions are designed first and foremost to keep resources from being diverted to secondary construction projects, to ensure that construction deadlines are met and to eliminate cost overruns and violations of financial discipline.

An increase in the use of financial levers in economic and financial operations of contracting organizations to a certain extent helps make their work and also that of capital construction as a whole more effective. In 3 years of the 10th Five-Year Plan planned industrial capacity and other projects have been placed in operation, and the goals for construction of housing and public buildings have been overfulfilled. Unfinished construction in 1978 reached 65 percent of the total volume of capital construction.

However, reserves for increasing the economic effectiveness of contracting organizations' activity are far from not being fully utilized. If at the oblast level labor productivity increased 12.7 percent in 1976-1978, output per worker decreased 3.3 percent at the Ternopol' Construction Administration. Year after year expenses per ruble associated with construction and installation work (based on estimated cost) are increasing. In 1975 they equaled 90 kopecks, in 1978--already 92 kopecks, and for the Ternopol' Administration--95 kopecks and 1 ruble 3 kopecks, respectively.

Payment discipline is not yet at the desired level. Often the contract organizations, although they fulfill the plan on the basis of all indicators and have their own working capital as established by standard, systematically default on sizable payments and as a result expend additional funds for payment of fines stemming from late settlement of accounts with suppliers of goods and services and also payment of penalty interest on bank loans. For example, on the basis of primary indicators the Construction Administration-542 of the Vinnitsa Podol'skprommontazh Trust in 1978 fulfilled the plan; however, defaults totaled as much as R350,000.

On the one hand, this means that some economic managers have not yet rid themselves of the unsound practice of fulfilling the plan at any price, in spite of the expenses; on the other hand, this tells us something

about the shortcomings of the credit mechanism itself. Let us touch on some of them. As the office's experience attests, the special credit conditions currently in use--the practice of depriving organizations that work poorly of all forms of credit--does not yield the desired effect. By denying loans, the bank, of course, compels the managers of the organization and its higher organs to take measures to improve their economic operations. But at the same time it places the contractor, who has been unable to put his economic operations in order under normal conditions, in even more difficult conditions, creating obstacles to normalization. Furthermore, such a situation sometimes penalizes the suppliers more than it promotes improvements in the work of the contracting organization in financial trouble.

In our view, it would make better sense not to deprive the contractor of bank loans but to extend them (possibly in even greater amounts) but under more stringent conditions. Credit should be extended to such an organization at increased cost--not less than 11 percent per annum, i.e., the fine which customers currently pay for late settlement of accounts with suppliers (0.03 percent daily rate X 365 days = 10.95 percent).

Furthermore, separate interest rates for overdue loans and those issued under special conditions should be maintained in the accounting records of both the bank and the borrower. In effect, these interest rates represent a fine imposed by the bank for one or another shortcoming in the work of the economic unit. To a considerable extent they characterize the observance of planning and financial discipline. It is technically quite simple for the bank to charge and impose penalty interest on loans. And an additional column "Funds Diverted for Payment of Interest for Use of Unplanned Loans" should be added to the contractor's "Fixed Capital and Permanent Assets" balance section. All the more so, since clients now pay considerable sums to cover the interest on these loans: in the first 6 months such interest equaled R35,800 or more than 3 percent of total balance profit for the contracting organizations serviced by the office.

The proposed procedures for imposing sanctions is designed to render real assistance to an organization in financial trouble. Without depriving it of the ability to obtain bank loans in its day-to-day operations, these procedures make it possible to determine with greater accuracy the size of losses suffered by the organization as a result of the imposition of credit sanctions. The cost figures related to sanction imposition, in addition, will compel higher economic organs to react more speedily to the unsatisfactory work of subordinate organizations.

The decree of the CPSU Central Committee and the USSR Council of Ministers "On Improving Planning and Increasing the Effect of the Economic Mechanism on Increasing Output and Work Quality" stipulates the discontinuance of the extension by customers to contracting organizations of advances for expenditures to cover unfinished construction and installation work, as

well as the shift to covering all these expenditures through use of credit. The office has gained some experience in financing all expenditures associated with unfinished construction without advances being extended to customers. In 1979 the organizations of the Ukrainian SSR Ministry of Installation and Specialized Construction Work received loans on the basis of this method on an experimental basis. Practice has shown that the shift to covering all expenditures for unfinished construction and installation work by way of bank loans has resulted in improvements in the organizations' financial condition and an increase in their responsibility for timely completion of construction work and performance of other contract-related work. The number of defaults by contractors who have switched to the new credit method has been reduced to 10/27 of the previous number, and implementation by them of the current year's construction program has improved considerably.

Extension of loans to contracting organizations to cover unfinished construction expenditures for the period between dates of debt servicing makes it possible to eliminate such a considerable shortcoming of the previous credit method as the delay between contracting organizations' outlays and their reimbursement by account settlement. In addition, the procedures for crediting unfinished construction expenditures require improvement, and, most of all, simplification of loan application procedures. There is apparently no need to obtain loan collateral forms for unfinished construction (standard form No 14) on the basis of data for the current month (all the more so, since current records do not always reflect the actual state of affairs).

It would be sufficient only once, on the last work day of the month, to adjust loan indebtedness on the basis of documents certifying the remaining unfinished construction and installation work and the sources for discharging such indebtedness. On other days of the month funds can be credited to the contracting organizations on the basis of documents submitted every 10 days on the amount of construction and installation work completed. Much remains to be done to improve procedures for reserving credit resources from customer-derived funds.

In recent years oblast contracting organizations have begun using less credit to purchase construction materials, structural components and parts, despite the fact that the material-intensive nature of construction and installation work is constantly increasing. This is occurring mainly because the economic organs often exaggerate the standard industrial stockpiles required. For example, in 1978 the standard stockpile for essential materials, structural components, parts, fuel and other items for the USSR Ministry of Railroads construction-installation train No 356 was planned for an average of 60 days; for the Ukrainian Ministry of Light Industry PMK-5[mobile mechanized column] 63 days; for the oblast administration of local industry construction and installation administration, 135 days; whereas in the sugar industry production association PMK it was 35.

As we can see, the variations are quite considerable. On the other hand, these organizations operate under roughly equal conditions: They are all engaged in construction of small-scale industrial enterprises, housing and public facilities on the territory of Ternopolskaya Oblast and obtain their local construction materials from the same sources: quarries, cement manufacturing centers, reinforced concrete product plants and brick plants.

Thus, such a variety in standards cannot be justified by differences in the structure of work or the sources of supply of construction materials. It can rather be explained by shortcomings in the setting of standards. This is why a number of contracting organizations served by the office formally do not have above-normal balances of working assets. However, this is no proof of their correct and effective utilization. Bank audit data suggest that standards for industrial stockpiles in the majority of cases are established for local-level construction and installation organizations without substantiating data.

The bank's departments should probably increase their monitoring of standards for industrial stockpiles. Such monitoring could be implemented by verifying the availability of substantiating data used to establish the standard, and in the event of the absence of such, credit sanctions could be imposed by the bank. Let us say that in verifying collateral credit security for unfinished construction the bank should take into account the incorrectly established industrial stockpile standards as part of the loan's collateral sources in the same way as we now do for a standard which has not been met.

In conclusion we would like to say a few words about criteria for measuring the effectiveness of the bank's work in the area of short-term crediting. To assess its effectiveness at present such indicators as loan turnover (number of loan turnovers per annum), the percentage of timely loan redemptions, the percentage of credits devoted to the industrial sphere and the amount of overdue loan indebtedness at the end of the accounting period are used. We consider that these indicators cannot always objectively reflect the bank's operations, inasmuch as the ultimate goal of its credit operations is the increase in the productivity of the construction industry as a whole.

Loan turnover, for example, does not reflect the contracting organization's turnover associated with unfinished construction and industrial stockpiles. Loan turnover for the most part depends on credit procedures, the imposition of credit limits and other factors. For example, in 1978 for the office as a whole the credit turnover for unfinished construction equaled four turnovers, whereas accounting data for the construction organizations indicated that the funds devoted to unfinished construction had turned over only 1.6 times. The turnover of industrial stockpiles at the Chortkovo Construction and Installation Administration of the Ternopol' Construction Administration for the above-named period was 2.5, and the turnover of credits extended for this purpose was 3.4.

Overdue loan indebtedness also does not always fully characterize an organization's financial condition. Therefore, we consider that the primary indicators of the effectiveness of the bank departments' work in the area of short-term crediting should be: the turnover of working capital of organizations serviced, the state of payment discipline as a whole, including availability to clients of card file No 2, and completion of the year's scheduled construction program by organizations monitored by the bank.

All of this, in our opinion, will promote further increases in the role of credit, the need for which, as noted in the above-mentioned decree, is one of the major tasks confronting the Soviet economy.

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Improving Capital Investments' Effectiveness

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[("Information": "In the Collegium of the USSR Ministry of Finance")]

[Text] The collegium has reviewed the progress in the implementation by the Construction Financing Administration of measures to increase the productivity of capital investments in view of the decisions of the 25th CPSU Congress, the subsequent CPSU Central Committee Plenums and the decree of the CPSU Central Committee and the USSR Council of Ministers "On Improving Planning and Increasing the Effect of the Economic Mechanism for Increasing Output and Work Quality." It was noted that the administration has prepared proposals to increase capital investment productivity, to eliminate shortcomings in the use of material and financial resources in the construction industry, and to intensify the financial and credit influence on the results of construction and installation and design organization work. Considerable attention was devoted to areas related to ensuring fulfillment by the ministries of the tasks for placing new industrial capacity into operation, quickly reaching full operating capacity, concentrating capital investments on the most important construction projects and those scheduled for completion in the plan year, and reducing the amount of unfinished construction.

The Construction Financing Administration, jointly with the USSR Stroybank and the branch administrations of the USSR Ministry of Finance, has systematically monitored the purchase and correct utilization of equipment, especially imported equipment, and also the equipment costs relative to payment allocations and the volume of capital investments. These organizations have taken measures to fulfill the capital investment plan, to ensure timely receipt of funds derived from individual branches of the economy to be used to finance such investments, to ensure full settlement of accounts in the construction industry, and also to increase the effective utilization of financial resources earmarked for planning estimate development. These same organizations have regularly implemented measures

to improve the work of contracting construction and installation organizations; for example, they developed proposals to identify and mobilize reserves within enterprises, observe strict economy in the utilization of material and financial resources, and fulfill the profit plan and state budget payment plan.

In analyzing the results of the annual reports on the financial and economic operations of the ministries and departments, the administration's workers identified considerable sums of reserves within enterprises, which were used to reduce the shortfall in the organizations' own working capital and liquidate overdue credit indebtedness in the construction industry. During preparation of state budget draft plans and the USSR Stroybank draft credit plans, proposals to mobilize available reserves within enterprises and ensure more effective and efficient utilization of capital investment funds were made. Also developed were new proposals to improve capital investment utilization and the financial and economic operations of construction organizations.

More practical assistance has begun to be rendered to the republic-level Ministries of Finance and local finance organs to monitor fulfillment by construction organizations of plan output and budget commitments.

Methodological guidance for the operations of the ministry's branch administrations in the area of capital investment financing has been provided.

The administration has carried out a number of measures to implement the decree of the CPSU Central Committee and the USSR Council of Ministers dated 12 July 1979. This work was performed using a special plan: In particular, the decree stipulates the timely preparation of methodological and standardized guidance documents. At present the following standardized guidance documents have been developed: procedures for banks' use of funds, released by customers in connection with account consolidation in the construction industry, as credit resources; utilization by construction organizations of funds received from customers for ahead-of-schedule commissioning of new industrial capacity; ongoing financing of construction projects, and others. The administration, jointly with the USSR Stroybank and Gosbank has prepared regulations on procedures for using credit in construction and installation and research and development work, for major industrial and power equipment, and for capital investment fund contributions. The administration is also participating in clarification of a number of USSR Stroybank, Gosstroy and Gosplan regulations in the area of capital construction.

The administration prepared the necessary materials on improving investment productivity for review at a 1980 scientific-practical seminar with workers of the union republic finance ministries. At the same time construction financing administration workers in these ministries were briefed, and measures designed to incorporate these standardized guidance documents into everyday practice were discussed.

There were, however, also shortcomings in the work of the Construction Financing Administration. They have still not fully taken the available opportunities to develop proposals for the more efficient use of investment funds, for the complete absorption into construction of above-plan equipment stockpiles, and for the identification and mobilization of reserves within the ministries' enterprises by eliminating shortcomings in their work and by strengthening the economical use of material, labor and financial resources.

In a number of cases the administration inadequately analyzed the cases of nonfulfillment by the ministries of some plan indicators and did not always follow up in eliminating shortcomings in their financial and economic operations.

The collegium assigned the Construction Financing Administration of the USSR Ministry of Finance: to increase its monitoring of the implementation by ministries and departments of measures to increase capital investment productivity and construction output; to develop on the basis of an analysis of financial and economic operations and audits more proposals for increasing the efficiency of construction output, for eliminating instances of mismanagement, unproductive expenditures and losses, and for fulfilling the profit plan and the production cost reduction plan through improvements in the organization of construction output and observance of strict economy in the use of material, labor and financial resources; jointly with the USSR Stroybank and Gosbank systematically to study the influence on accelerated construction of the new account settlement procedures for enterprises, complexes and facilities which have been completed and placed in operation in the current plan year as well as procedures to cover expenditures for unfinished construction and installation work through the use of bank credit; and, finally, develop the necessary proposals on the basis of these activities.

More proposals should be prepared to improve the existing practice of material incentives, and also the use of credit sanctions in the construction industry in order to increase their influence on fulfillment of output and financial indicators by construction and installation organizations and on increasing construction output; to ensure timely completion of the preparation of instructions, regulations and other documents to improve planning, financing and crediting of capital construction in accordance with the decree of the CPSU Central Committee and the USSR Council of Ministers dated 12 July 1979; to render assistance on a regular basis to the republic-level ministries of finance to incorporate measures stipulated in this decree into the operations of construction and contracting organizations.

The USSR Ministry of Finance's administrations and departments are required: to increase the financial influence on increasing output and work quality, achieving high final results, strict economy of material and financial resources and ensuring fulfillment and overfulfillment of budgetary commitments by ministries and departments; to achieve further increases in the

quality of capital construction financing, systematically develop proposals to assist ministries in placing new industrial capacity into operation, attaining full operating capacity, reducing uncompleted construction, accelerating the retooling and renovation of existing enterprises; to monitor on a regular basis the timeliness of equipment deliveries to construction sites and fulfillment of goals to reduce unplanned reserves of uninstalled equipment; to increase monitoring of the correct use by industrial ministries of methodological instructions and regulations published in accordance with the decree of the CPSU Central Committee and the USSR Council of Ministers dated 12 July 1979; systematically to implement measures to improve the style and methods of management, and increase the level of economic and monitoring operations and also that of worker knowledge and qualifications.

In accordance with the decision of the collegium the republic-level ministers of finance are required: to increase monitoring of the effective utilization of capital construction funds, of the fulfillment by construction organizations of plan goals to place new industrial capacity into operation, and of the reduction of the amount of unfinished construction, paying particular attention to implementing measures to retool and renovate existing enterprises; to develop more proposals to concentrate capital investments on construction projects and facilities scheduled for completion in the plan year, reduce the number of demobilized construction projects, reduce above-norm and excess reserves of material assets and uninstalled equipment and eliminate overdue credit indebtedness; to render all possible practical assistance to ministries to implement measures resulting from the decree of the CPSU Central Committee and the USSR Council of Ministers dated 12 July 1979; to monitor the receipt by production associations and enterprises of standardized guidance documents published pursuant to this decree; to analyze the application of these guidance documents and adopt as needed measures to eliminate shortcomings.

The collegium, having reviewed the implementation of measures to improve financial legislation in view of the decisions of the CPSU 25th Congress, the requirements of the new USSR Constitution and the decree of the CPSU Central Committee and the USSR Council of Ministers dated 12 July 1979, noted that the administrations and departments of the ministry are improving financial legislation, revising and reissuing regulations, methodological instructions and other legal instruments. The necessary materials, proposals and drafts for updating and consolidating legal instruments which regulate financial relations have recently been developed. This work has affected such important institutions of the USSR financial system as budget relations as well as relations in the area of state budget income, credit and account settlement in the national economy.

In 1978-1979 a number of important legal instruments developed by the USSR Ministry of Finance were promulgated: ukases of the Presidium of the USSR Supreme Soviet "On Income Taxes From Foreign Juridical and Physical Persons," "On Income Taxes From Cooperative and Public Organizations,"

"On State Duties," the decrees of the USSR Council of Ministers "On Rates for State Duties," "On Approval of the Regulations on Bookkeeping Reports and Balances," "On Measures To Improve the Organization of Bookkeeping and Increase Its Role in the Efficient and Economical Utilization of Material, Labor and Financial Resources." Currently in preparation are a number of drafts for budget, insurance and currency legislation, and also legislation on credit and account settlement. Work to improve financial legislation has made it possible to considerably update and simplify such legislation and to eliminate the multitude of overlapping legal instruments.

The USSR Ministry of Finance, pursuant to the decree of the CPSU Central Committee and the USSR Council of Ministers dated 12 July 1979, has published a number of legal instruments to convert industrial ministries, production associations and enterprises to the new management procedures. Within established deadlines departmental legal instruments were developed and approved, which regulate the distribution of profit and settlement of accounts with the state budget of the ministries, associations and enterprises converted to the standard method for profit distribution and utilization of funds released by customers as a result of the conversion to settlement without intermediary payments. The USSR Ministry of Finance participated in the preparation by the USSR Gosplan, USSR State Committee for Science and Technology, USSR State Committee for Prices and other departments of methodological instructions to develop indicators for (standard) net profit, establish and utilize a common fund for development of science and technology, determine long-term wage standards per ruble of output, the regulations governing awards to workers for placing industrial capacity and facilities into operation, and others.

On the other hand, there were shortcomings in developing financial legislation. Some administrations and departments were late in preparing legal drafts and did not always ensure precise formulation of some legal statutes. The legal department in a number of cases did not ensure sufficiently effective coordination of draft legislation preparation.

The collegium assigned the administrations and departments of the USSR Ministry of Finance: to constantly ensure timely implementation of the orders of the USSR Ministry of Finance "On the Organization in the USSR Ministry of Finance of Preparation and Promulgation of the Code of Laws of the USSR (No 34, 14 April 1978) and "On Tasks and Organization of Work of Financial Organs To Implement the CPSU Central Committee Decree 'On Further Improving the Economic Mechanism and the Tasks of Party and State Organs' and the CPSU Central Committee and USSR Council of Ministers Decree 'On Improving Planning and Increasing the Influence of the Economic Mechanism on Increasing Output and Work Quality'" (No 134, 28 August 1979); to pay particular attention to the quality of draft legislation preparation and its timely coordination with interested USSR ministries and departments; systematically to analyze the correct implementation of financial legislation and to submit timely proposals to standardize legal instruments and include in them necessary changes and amendments.

The USSR Ministry of Finance Legal Department should pay greater attention to better coordination of draft legislation preparation, should strive jointly with administrations and departments to achieve quality work in the development of this legislation, and should increase monitoring the timeliness of preparation of draft legislation, regulations, methodological instructions and other legal instruments.

The collegium reviewed the further improvement of the processing of workers' letters by finance and insurance organs. It has noted that in implementing the CPSU Central Committee's decree "On Further Improvement in the Processing of Workers' Letters in View of the Decisions of the 25th CPSU Congress," the finance system organs should assign greater importance to this politically important sphere of work and take a receptive and businesslike approach in their processing of letters and requests.

The USSR Ministry of Finance, republic-level ministries of finance and main administrations of state insurance [Gosstrakh], local finance and insurance organs have recently improved the organization and quality of letter processing and also the handling of personal visits from citizens. Further improvements are regularly reviewed at collegiums of the republic-level ministries of finance and conferences attended by the chiefs of finance and insurance organs. Letters and requests from workers are systematically studied. Particular attention is paid to their complaints, and, as a rule, their requests are reviewed thoroughly and within the required time. Measures to eliminate shortcomings are implemented. Active and goal-oriented processing of letters performed by the majority of finance and insurance organs further improves management and monitoring work, strengthens socialist legality and reduces the number of complaints.

However, shortcomings still persist in some finance and insurance organs. An analysis of letters and requests as well as the results of audits and checks indicate that, as a rule, they are the result of an unqualified approach to the solution of problems, red tape and unreceptive attitudes toward requests -- the very things which compelled the authors of such letters to lodge their complaints in the first place.

The USSR Ministry of Finance has repeatedly drawn the attention of finance organ managers to the need to improve tax computation and collection from the public. However, appropriate procedures have not yet been instituted everywhere. For example, the Tomashpolskiy Rayon Finance Department in Vinnitskaya Oblast for 2 years attempted to collect land rent and building taxes from citizen Kaminskaya who was exempt from such taxes. This resulted in her justified complaint to the USSR Ministry of Finance. The chief of the State Revenue Board of the Rayon Finance Department has received a strong warning.

The Sorochinsk City Finance Department in Orenburgskaya Oblast issued an illegal decision to deprive pensioner Fedorov of a 1979 exemption for land rent and building taxes. The Orenburgskaya Oblast Finance Department upheld the decision, even though citizen Fedorov had a right to such an exemption under existing legislation.

Citizen Kuz'min's complaint to the USSR Ministry of Finance resulted from the incorrect actions of the Zavodskiy Rayon Finance Department in the city of Kemerovo which delayed the refund of overpayment of land rent and building taxes. The complaint has been acted upon, and the chief of the district finance department and the chief of the state revenue board have received strong warnings for violations of the procedures for return of overpayments.

Some insurance organs allow superficial reviews of insurees' claims and reject payment of compensation without justification. For example, the state insurance review board in the city of Nurek, Tajik SSR, incorrectly rejected payment compensation to citizen Gagulayeva for her personal belongings lost in a fire. Without a required verification of documents the republic's Gosstrakh upheld this decision. Only after citizen Gagulayeva's complaint to the USSR Ministry of Finance was she paid compensation.

Due to an unreceptive attitude of some workers of the state insurance review board in Chernobyl'skiy Rayon, Kievskaya Oblast, in reviewing citizens' claims, citizen Sycheva for an extended period was unable to receive compensation for a damaged vehicle. Only after her complaint to the USSR Ministry of Finance did she receive such compensation. The officials guilty of this violation have been punished.

In a number of cases there are still examples of the incorrect determination of the percentage of disability for injured insurees. This violates their legal interests and results in well-founded complaints. For example, the Moldavian SSR Gosstrakh established a disability percentage of 20 percent instead of 45 percent for citizen Karaman residing in Floreشتy Rayon, an error which resulted in his complaint to the USSR Ministry of Finance. The justified complaint of citizen Karaman was upheld: he received payment based on a mixed-type [smeshannyi] life insurance policy. Citizen Maklakov was seriously injured on the job, as a result of which his permanent disability was established as 70 percent. However, the Severo-Osetinskaya ASSR Gosstrakh had established only a 40 percent-disability. After citizen Maklakov's complaint to the USSR Ministry of Finance the mixed-type life insurance policy claim was paid correctly.

The collegium assigned the republic-level ministers of finance: to implement the new edition of the ukase of the USSR Supreme Soviet Presidium "On Procedures for Reviewing Citizens' Proposals, Requests and Complaints"; to discuss at sessions of the collegiums the state in financial and insurance organs of the review of letters, requests and complaints and improve the quality of such review; to increase insistence on high standards for finance and insurance organ managers and personal responsibility for their unqualified compliance with the decrees of the CPSU Central Committee and the USSR Supreme Soviet Presidium and instructions of the USSR Council of Ministers on processing letters.

The union-republic and autonomous-republic minister of finance and the chiefs of kray, oblast, okrug, city and district finance departments, the chiefs of main administrations, administrations and state insurance review boards must: organize the careful study by workers of finance and insurance organs of the new edition of the ukase of the USSR Supreme Soviet Presidium "On Procedures for Reviewing Citizens' Proposals, Requests and Complaints"; increase monitoring of the review of letters, requests and complaints, fully ensure the implementation of goals set by the party and government for further improvement of this work and increase the level of service to the public; adopt measures to eliminate shortcomings, strictly observe established procedures for processing workers' letters and strive to process every letter and request in a timely, relevant and qualified manner; draw greater attention to citizens' complaints about financial discipline violations, various types of abuses and thefts of socialist property, perform more frequent local inspections in order to verify such complaints and implement needed measures in a timely fashion; systematically analyze letters and requests, comprehensively study proposals to further increase the effectiveness of the operation of finance and insurance organs, and develop specific measures to implement these proposals and to eliminate the causes and conditions which give rise to complaints; strictly comply with established requirements for receiving citizens personally; regularly conduct classes to increase the qualifications of finance and insurance organ workers through study of legislation, rules, regulations and other legal instruments of the USSR Ministry of Finance.

In accordance with the decision of the collegium administrations and departments of the USSR Ministry of Finance must: adopt measures to further improve the style and methods of letter processing and broad dissemination of positive experience; increase monitoring of this work in local finance organs, rendering them practical assistance to improve the handling of this important aspect of their work.

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BUILDING MATERIALS

EDITORIAL, MINISTER DETAIL PROBLEMS IN PLAN FULFILLMENT

Editorial Review

Moscow STROITEL'NAYA GAZETA in Russian 14 May 80 p 1

[Editorial: "Develop 'Worker's Relay Race' at Construction Industry Sites"]

[Text] For the four years of the five-year plan four and one half billion rubles of fixed capital were committed to building materials industry structures. The scale of capital investment for the base industry is increasing proportionally to the growth in construction for the country as a whole.

Construction workers overfulfilled the first quarter plan for the USSR Ministry of the Construction Materials Industry as a whole for the first time in many years, having assimilated more than 105 million rubles in construction and installation work during this period as against 97 million for the plan.

The successful beginning to 1980 testifies to the actual possibility of unprecedented growth for the sectors that are the base of the construction industry.

There can hardly be differing opinions concerning the fact that it is necessary to develop the construction industry's base at an unprecedented pace. One may have a high quality design, a strong contractor, sufficient finances and personnel resources at the construction site, but if there will be interruptions in cement, crushed stone, glass, panels, solid materials and structural forms, matters will limp along on both legs. And who more than builders should strengthen their industrial base, the foundation of which is the building materials industry?

During the four years of the 10th Five-Year Plan production capacities increased in the sector by 8.7 million tons of cement, by over a quarter of a million slate tiles, by more than 18,000 km of asbestos cement pipe, and by a quarter of a million tons of asbestos, as well as many other materials and structural forms.

Construction of the first phase of the Kiyembayev asbestos mining enrichment combine and two of the most powerful technological lines in the country at the Novospasskoye cement plant which operate according to the more efficient dry method have been successfully completed. The collectives of construction workers, assemblers and operators who are taking part in erecting these structures were honored with a high appraisal in the letters of greeting by General Secretary of the CPSU Central Committee and Chairman of the Presidium of the USSR Supreme Soviet L. I. Brezhnev. They put capacities into operation precisely according to schedule which can produce more than 5 million cubic meters of non-metallic materials at the "Mikashevichi" combine in Belorussia, 20 million square meters of window glass and a half million square meters of double glass sheets at the Saratov commercial glass plant, 2,000 km of asbestos cement pipe and more than 30 million slate tiles at the Alekseyevka asbestos cement articles plant. Construction workers and assemblers in Belorussia and Lithuania are working more successfully than others on base sector structures.

Unfortunately, the list of achievements at USSR Ministry of the Construction Materials Industry construction sites is practically exhausted after this. During the last three to four years not one of the union construction ministries has ever either fulfilled the plan for putting the capacities of the base sector into operation or succeeded in coping with the volume of construction and installation work. It is true that these ministries have not always, by far, managed their tasks at construction sites for other sectors of the national economy either, as a rule, citing insufficient building materials. But they did a poorer job at base structures than anywhere else. Thus, the gap between acknowledgement in words of the expediency of immediately developing the construction industry's base and actual matters has not been reduced. And what is more, the volume of production during the current five-year plan has even decreased for such an important subsector as asbestos which rapidly led to a reduction in the output of slate, asbestos cement pipes and other products made from asbestos.

And it is not just a matter of so few funds being apportioned for the development of the building materials industry. The contractors are not assimilating even these resources. During the four years almost a half billion rubles that were appropriated for construction and installation work remained unused. Only 65 of the 117 important starting structures of the sector were put into operation during the past year. The Yashkino and Kuvasay cement and slate combines that have a total capacity of 95 million conventional tiles have not begun to turn out products as planned since the beginning of the year and the Sukhoy Log slate combine has not begun producing asbestos cement pipes as planned.

The scourge of the sector is long construction times. Based on data selected by the USSR TsSU [Central Statistical Administration] and also on a detailed analysis that was done by the sector's NIIESM [Scientific Research Institute of the Economics of Building Materials] certain structures in the cement industry are being erected in 117 months instead of 32,

according to the norm, in the non-metallic materials industry it is 80 months--triple the allotted time, etc. No other reasons besides lack of attention can explain the fact that the new Altay carton and ruberoid plant, whose products Siberian construction workers have been impatiently waiting for for a long time, has been under construction for almost two five-year plans and not four years as was allotted. An imported carton-making machine is lying at the site like dead weight for the eighth year and, still not having been installed, it is already outmoded in many ways.

The Tomsk Construction Administration is dragging out construction of another large site--a crushed stone and sand quarry--in exactly the same way. The time frame for starting it up is being carried over from year to year. Yet hardly one third of the plan for construction and installation work was completed at the site during the first months of the current year. And crushed stone and sand has to be brought into the largest construction sites in Western Siberia from far away while paying exorbitant amounts for transportation and diverting manpower--and the railroads are overloaded enough as it is.

The brick industry, in which the majority of enterprises are equipped with outmoded technology, is in need of fundamental reconstruction. Labor productivity at these enterprises is extremely low. The turnover of personnel is high here due to unsatisfactory working conditions. The cement industry also needs to be reequipped where the principal technological equipment is also becoming outdated. More than half of the cement plants have already dug out their supplies of raw materials in operating quarries and new ones are not being developed to replace them.

Construction sites of the base industry are, perhaps, the only ones that do not have the beginnings of competition according to the principle of a "workers' relay race" and where the brigade contract method is being adopted very poorly. Construction organization administrators and clients must arm themselves more quickly with these important means of influence on the pace of construction and installation work. All associated workers should be drawn into a "workers' relay race" and the situation more rapidly corrected by common manpower.

Unprecedented growth for the base! This slogan must become established in capital construction not in word but in deed.

Facts Cited

Moscow STROITEL'NAYA GAZETA in Russian 14 May 80 p 4

[Article by the Construction Materials and Structural Forms Production Division. "Lend a Hand Associated Workers!"]

[Text] In order for the construction industry's base to develop at truly unprecedented rates, the existing and in many ways faulty practices in

erecting structures for the building materials industry must first of all be decisively changed. It is now already four years in a row that the USSR Ministry of Construction of Heavy Industry Enterprises, the USSR Ministry of Industrial Construction, the USSR Ministry of Construction, and other construction ministries, with the exception of two or three republics, have regularly fallen short of the plans for contract work for this most important base sector. At the same time, as the results of the first months of the current year show, they are capable of doing better work.

During 1976-1979 the USSR Ministry of Construction of Heavy Industry Enterprises did not assimilate 125 million rubles, the USSR Ministry of Industrial Construction--112 million and the USSR Ministry of Construction--96. In all, this is almost the annual volume of construction and installation work for the sector. This is one of the reasons why, in a number of regions of the country, a lack of many types of materials and articles is felt, and it is construction workers themselves who most of all experience the need for them.

The deficit in building materials may be reduced by one method--by building up production output. For this, enterprises in the base sector must be built and reconstructed more quickly. It is time to develop competition according to the principle of a "workers' relay race" at construction industry sites.

THE USSR MINISTRY OF THE CONSTRUCTION MATERIALS INDUSTRY FEELS THAT IT IS ALREADY EXPEDIENT TODAY TO DEVELOP A "WORKERS' RELAY RACE" AT SUCH SECTOR STARTING SITES AS:

the Sukhoy Log asbestos cement articles combine;

the Kuvasay cement and slate combine;

the Sas-Tyubin cement plant.

STROITEL'NAYA GAZETA calls all associated workers at these and similar large construction sites of the construction materials industry to actively take part in socialist competition according to the principle of a "workers' relay race." Let the spirit of mutual aid and mutual support reign in your interrelationships. The editorial office of SG [STROITEL'NAYA GAZETA] will render assistance in every way possible toward this undertaking.

Minister Comments

Moscow PRAVDA in Russian 11 Jun 80 p 2

[Article by B. Bakin, USSR Minister of Installation and Special Construction Work: "The Foundation is to Put Structures Into Operation; Improving the Economic Mechanism"]

[Text] More than 10 million people work in construction. The sector has powerful technology and design

and scientific research institutes. It would seem as if everything exists to work very productively and to fulfill the projected plans. Yet many collectives solve their primary task poorly--to put structures into operation on time. As a result one of the important sectors in the national economy is systematically unable to meet the plans. Why?

Construction and assembly workers often explain this by deficiencies in planning, late deliveries of technological equipment and a lack of materials. The reasons seem to be weighty. Actually, in many cases funds are not allocated in accordance with standards and tasks are not balanced with the capabilities of administrations and trusts. The delivery of equipment and the time period for the start up of a majority of structures--up to 80 percent--is planned for the fourth quarter. Let's assume that such a system should be reviewed. It is expedient for an overwhelming portion of the planned shops and enterprises to be put into operation during the second and third quarters--the most favorable time of the year. Delivery of basic equipment should be accomplished six months before these periods. If it cannot be manufactured for a certain construction site then it is better to postpone the starting period to a future year.

Capital construction must be more quickly brought out from among the number of those lagging behind. Measures have been directed towards this that were stipulated in the CPSU Central Committee and USSR Council of Ministers decree concerning an improvement in the economic mechanism. In order to improve matters construction collectives have to work quite a bit. One of the existing potentials for reducing construction times for structures is to adhere to the compulsory technology of production. It is well known, for example, that at a construction site the foundation is built under a building's framework and underground utility lines, roads and entrances are laid out first of all. However, in many cases these jobs lag extremely far behind the projected schedules.

What this leads to is seen in the following example. Due to foundations being erected late at a number of construction sites where our organizations work about one half million tons of uninstalled structural forms have accumulated. In addition to this it should be added that ministry plants also are permitting disruptions in technology due to unsatisfactory provisions of rolled metal. They sometimes give incomplete sets of structural forms to construction sites. Delays in the installation of metal structural forms lengthen the construction time for structures.

Construction collectives are often late in turning over areas for the installation of technological equipment as well. Installation workers must either begin work in the unprepared area, breaking construction regulations, or wait. And then in order to make up for lost time the number of workers are significantly increased sometimes by a factor of two to three. This reflects negatively on the growth of labor productivity and worsens all the economic indices.

The technology of construction production is obligatory for all. Yet it is often disrupted and it is rare that someone bears the responsibility for this. It is time for USSR Gosstroy to establish that each performer be answerable for observing the accepted schedules and the sequence of work in the same way as the design and technological conditions are observed, and at the same time, stipulate sanctions for disrupting the schedules. Strict production discipline is the main requirement for reducing construction times.

The volume of installation work is constantly growing and these operations are becoming more complicated. And here, naturally, our subdivisions require constant strengthening and that the qualifications of people be improved. We are developing trusts in such a manner that they will have all of the capabilities for completing the tasks assigned to them. We are forming new design collectives, industrial enterprises, mechanization and complete technological outfitting administrations and services for the preparation of production. At present the average volume of work which is given to a single trust has reached almost 42 million rubles per year.

Much preparation is being done to create construction-installation and industrial enterprises. During the 11th Five-Year Plan we intend to form about 12 of them. Five large enterprises are already in operation. Experience which has been accumulated will be a model for others as well. In passing, I will note that several ministries and departments organize their small installation subdivisions according to installing steel structural forms, sanitation, technical and electrical installation work, cutting mine passages and driving piles. They have much lower labor productivity and costs and expenditures for wages are significantly higher than at similar organizations in our ministry. Such small similar subdivisions lead to manpower dispersal and are not needed.

Technological progress is proving to have much influence on reducing construction times. We have formulated a program for further increasing the level of installation and specialized work. We are giving special attention to the extensive use of methods of installing large modular sections. In conjunction with machine building ministries, we are reviewing the technological conditions for delivering equipment of high factory and assembly preparedness. The completeness of the deliveries is of important significance. Practice shows that this problem is successfully solved if the client-ministries take on the responsibility for executing it themselves. The construction knowledge of the Volzhsk and Kamsk motor vehicle plants, which had strong and qualified subdivisions that were engaged in delivering complete sets of equipment, tells of the effectiveness of such measures. It is expedient to use the knowledge extensively, forming similar subdivisions in the boards of directors that are constructing enterprises or under capital construction administrations in sector ministries. In addition, this will increase the safety of equipment.

Accomplishing the measures projected for the long term to increase the efficiency of installation work requires a more extensive introduction of new structural forms and materials. We cannot get by without active participation by metallurgists, chemists and building material suppliers. New materials and structural forms are still not being turned out in sufficient amounts. Here is just one example. Heat insulation for technological equipment and large size ducts has real potential for reducing fuel consumption. The growing volume of capital construction, and placing apparatuses under the open sky on a massive scale requires a higher quality of heat insulation and the use of highly efficient industrial structural forms. However, their production has not been organized at plants in the USSR Ministry of the Building Materials Industry. Chemists provide little glass cloth. Yet its use will reduce the consumption of thin steel sheets and aluminum.

The requirements for materials at sites under construction will now be determined according to design and estimate documentation and not based on calculations for a million rubles of construction and installation work. Such a measure will improve the balanced nature of plans. I believe that a similar principle should be observed for the material and technological provisions in plans for developing and adopting new technology. The following example speaks of the losses for the national economy when these conditions are ignored. A new sector in the construction industry has been formed in our country--the manufacture of lightweight metal structural forms. They are extremely efficient, their use reduces the time periods for erecting structures, the weight of buildings and transportation expenditures and they provide several other advantages. Yet only 60 to 70 percent of the capacities of the plants which have been formed are being utilized and the completeness of deliveries is being disrupted. The fact of the matter is that this production, like every new technology, requires a number of special materials. And they are also insufficient. The extensive use of lightweight structural forms in designs, efficient shapes for rolled metal and high strength steel provides a large savings of metal.

Ministry organizations have begun to formulate the plans for the 11th Five-Year Plan. All new progressive factors that have resulted from the CPSU Central Committee and USSR Council of Ministers decree concerning an improvement in the economic mechanism have to be taken into consideration in them. Formulating the five-year plan is a crucial and labor-consuming job. Now the goals for putting capacities into operation will be established by installation organizations as well. The financial status of an installation subdivision, the profit margin and funds for economic incentive will depend on the extent to which this index is realized.

The transition to calculating construction commodity output is a powerful key factor in improving the economic mechanism. Installation organizations in the Belorussia, Ukrainian and Uzbekistan ministries and 48 trusts operated according to this system of calculations last year. They completed

a fifth of the total volume of contract work. During the current year another 34 trusts are transferring to the new system. Practice has shown that the expected effect can be achieved under the conditions where subcontract and general contract organizations as well as clients simultaneously transfer to the new system of calculations. We are also working in collaboration with construction workers to solve this problem. The final results of the activity of construction and installation organizations will be determined by the commodity output cost expression. However, there is much that is unclear in questions of planning this output.

The system of material incentives will influence structures to be put into operation on time. The CPSU Central Committee and USSR Council of Ministers decree increases the relative proportion of bonuses for putting structures into operation. Now the problem consists of making the bonus awards system more understandable to all performers and collectives--to all participants in construction--to ensure that it will properly take into consideration each of their contributions and to differentiate it depending on the quality of work.

Putting new production capacities into operation on time is an important problem for the national economy. All participants in capital construction are working on solving it.

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